



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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September 15, 1997

James W. Goddard, Ph.D.
RR #5, Box 34A
Lake Eufaula, Oklahoma 74432

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Golden Empire, Ltd., Golden Empire #1 Project, S/037/097 (ML473), San Juan County, Utah

Dear Mr. Goddard:

Thank you for your response to our August 25, 1997 letter, regarding deficiencies in the Golden Empire Ltd.'s Golden Empire #1 Project Notice of Intention to Commence Small Mining Operations located in the NE/4 SE/4 Section 2, T30S, R22E, SLBM, San Juan County, initially received by the Division on July 8, 1997. The additional information you have provided has addressed the information deficiencies described in our previous letter. Until we receive the new signature page from Mr. Bob Bolles you will be considered the designated operator by the Division. The small mine operation notice of intention for Golden Empire Ltd.'s Golden Empire #1 Project is now considered complete and no additional information is required by the Division at this time.

Enclosed for your reference are copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a mine site (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the mine site. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

If you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

A Memorandum of Understanding between this Division and the State Department of Environmental Quality (DEQ) requires us to notify them upon receipt of a mining application. If Golden Empire Ltd. wishes to use chemicals in the process in the future you will need to contact DEQ for the appropriate approvals. For future reference, their address and phone number is: Department of Environmental Quality, 288 North 1460 West, Salt Lake City, Utah, 84116, (801) 538-6146.

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Approval of mineral exploration or mining operations by the Division of Oil, Gas and Mining does not constitute approval to commence operations upon lands under state mineral leases/school sections administered by the School and Institutional Trust Lands Administration, or federal lands managed by the Bureau of Land Management (BLM) or United States Forest Service (USFS). Before conducting mining operations on these lands, the operator must provide written notification, meet bonding requirements, and obtain written approval from the appropriate agency. School and Institutional Trust Lands Administration can be reached at: 675 East 500 South, Salt Lake City, Utah 84102; phone number (801) 538-5100. You will need to contact the appropriate BLM Resource Area or USFS Ranger District for their requirements.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,



Anthony A. Gallegos
Senior Reclamation Specialist

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Enclosure
cc: Bob Bolles, Golden Empire Ltd.
Will Stokes, SITLA (ML47330)
Tracking File
S037097.noi